



# Joint Committee on Health Policy Oversight: Health Reform 2009

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# Overview

- Context for 2009 health reform recommendations
  - Budget shortfalls
  - Increasing number of uninsured
- Community dialogue tours: Kansans in need
  - 54 meetings in 11 communities
- Health reform recommendation details
- Improving outcomes and promoting cost effectiveness:
  - Medicaid transformation program reviews



# Budget shortfall: Current picture

- Department of Budget (DOB) initial reduction recommendations:
  - FY 2009: \$11.7 million SGF reduction; \$9.2 All funds
  - FY 2010: \$20.1 million SGF reduction; \$75.9 All funds
- Meeting budget targets:
  - Supplemental funding not included in DOB plan
  - Implementing administrative and operation cuts
  - Reducing SCHIP (carry-over \$) and reviewing contracts
  - Reviewing other recommendations

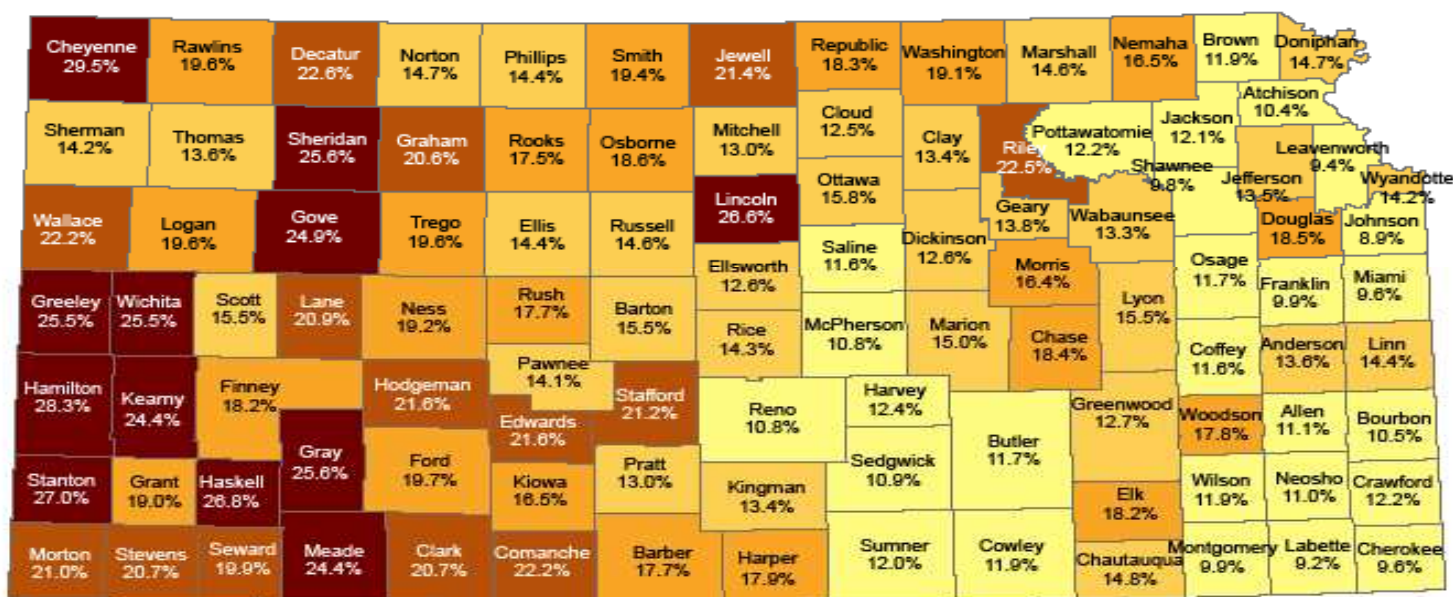


# Number of uninsured increases

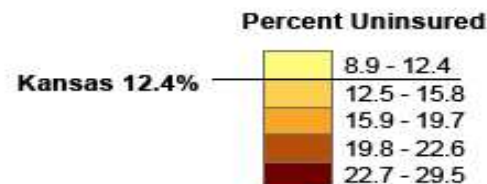
- Kansas statewide uninsured rate of 12.5%
  - *About 340,000 uninsured in 2006-7*
  - *One of only 10 states with rising rate of uninsured in 2007*
- Young Adults 19-24 uninsured at more than twice that rate
  - *About 28% uninsured in 2006-7*
- Adults 19-34 make up 42% of the uninsured
  - *About 143,000 uninsured in 2006-7*
- No publicly-financed coverage of non-disabled childless adults
  - *About 143,000 uninsured in 2006-7*
- Medicaid coverage of parents up to 30% of poverty or less
  - *Kansas ranks in the bottom 10 for coverage of parents*
  - *Proposals to expand to 100%FPL in 2009 using revenue from an increase in taxes on tobacco products*
  - *In 2008, Kansas Legislature revoked a planned expansion to at least 50% of FPL*

# Where are the uninsured in Kansas?

Percent of People Under 65 without Health Insurance by Kansas County  
2005

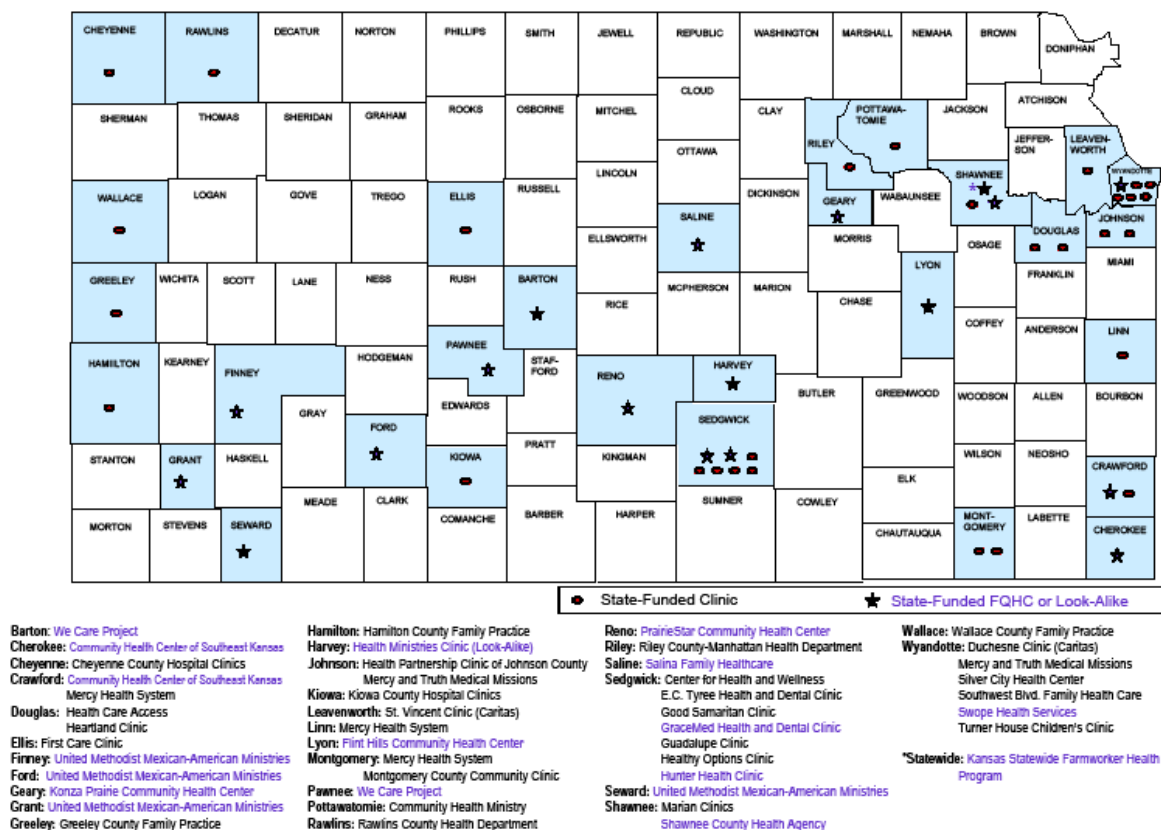


Source: Institute for Policy & Social Research; data from the U.S. Census Bureau,  
Small Area Health Insurance Estimates, 2005.



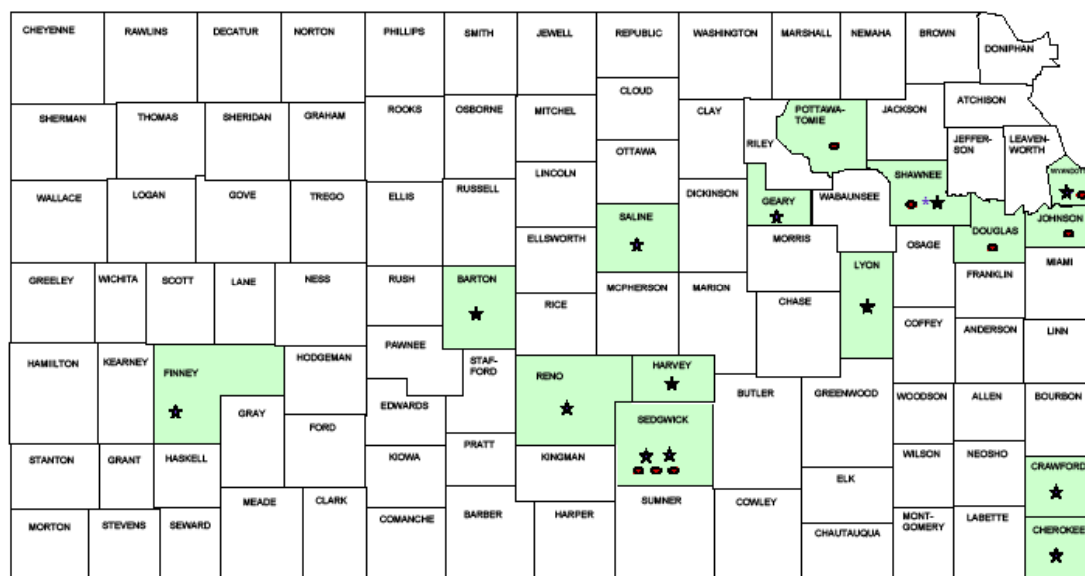
# Safety Net Clinic Locations in Kansas

2009 State-funded Clinic Sites by County



# Medicaid Dental Providers in Kansas

2009 State-funded Dental Clinic Sites by County



**Barton:** We Care Project

**Cherokee:** Community Health Center of Southeast Kansas

**Crawford:** Community Health Center of Southeast Kansas

**Douglas:** Health Care Access

**Finney:** United Methodist Mexican-American Ministries

**Geary:** Konza Prairie Community Health Center

**Harvey:** Health Ministries Clinic (Look-Alike)

**Johnson:** Health Partnership Clinic of Johnson County

**Lyon:** Flint Hills Community Health Center

**Pottawatomie:** Community Health Ministry

**Reno:** PrairieStar Community Health Center

**Saline:** Salina Family Healthcare

**Sedgwick:** Center for Health and Wellness

E.C. Tyree Health and Dental Clinic

GraceMed Health and Dental Clinic

Healthy Options Clinic

Hunter Health Clinic

**Shawnee:** Marian Clinics

**Wyandotte:** Southwest Blvd. Family Health Care

Swope Health Services

**\*Statewide:** Kansas Statewide Farmworker Health Program

★ State-Funded FQHC or Look-Alike

● State-Funded Clinic



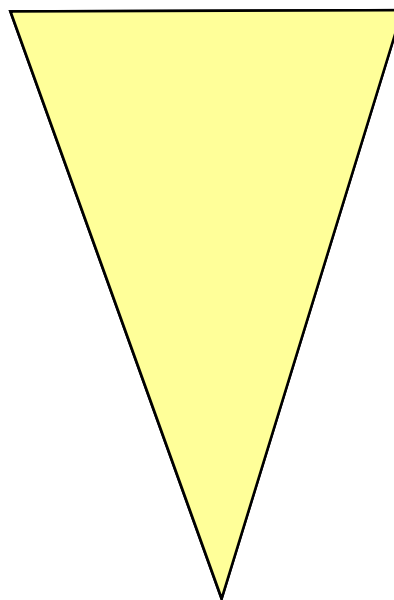
# Health Reform Recommendations 2009





## KHPA Health 2009 Reform Recommendations

**Implement  
statewide  
clean indoor law:**  
*Save lives &  
save health care costs*



**Increase tobacco  
user fees:**  
*Prevent smoking & use  
funds for affordable  
health care*

**Increase access to affordable  
health care and prevention:**  
*Making smart investments,  
Investing in the future*



## Statewide Clean Indoor Air Law

- ***Save lives and save health care costs***
  - Smoking is No. 1 cause of preventable death and disease in Kansas
    - *3,000 cancer deaths and 35,000 heart disease deaths per year in U.S.*
  - There is no safe level of exposure to secondhand smoke
    - *Pregnant women at risk of having low birth weight babies*
    - *Infants at risk of asthma attacks, lower respiratory infections, reduced lung capacity*
  - Potential 10% reduction in smoking rate: 40,000 fewer smokers in Kansas
  - KDHE estimates 2,160 fewer heart attacks
  - \$21 million decrease in hospital charges from heart attacks alone.



## Increase Tobacco User Fees

- ***Prevent smoking & use funds for affordable health care***
  - Increase cigarette taxes \$0.75 per pack; other tobacco taxes by proportionate amount
  - Kansas Medicaid spends \$196 million per year on smoking-related illnesses
  - Current tax: \$0.79 per pack. Last raised in 2002. Average in U.S. is \$1.03
  - Reduce smoking, especially among youth
  - \$87.4 million new revenue to expand health care coverage for low-income, young adults and small businesses



## Increase access to affordable health care and prevention

*Making smart investments, investing in the future*

### Expanding Medicaid to cover Low Income Parents/Caretakers

- Kansas currently in bottom 10 states for covering low-income adults
  - *Current income limit for single parent with two children: \$403 per month (Topeka); less than 30% FPL*
  - *No coverage for childless, non-disabled adults*
- 2008 Federal Poverty Guidelines:
  - *\$1,166/mo. (2-person family); \$1,467/mo. (3-person family)*
- Estimated 75,000 uninsured adults below FPL;
  - *45% are parents of children under age 18 (Kansas Health Institute)*
- Expected enrollment increase: 30,531 by SFY 2013
- Budget Impact SFY 2010: \$31 million (AF); \$10.5 million (SGF)



## Assist Small Businesses, Young Adults to Afford Health Insurance

- Most adults with insurance (65%) obtain it through their employer:
  - 1.5 million in Kansas
- Size matters:
  - 95% of employees in large firms are offered health benefits, but only 40% of workers in small firms are offered health benefits
- Age matters:
  - Nearly one-quarter of young adults (age 18-25) are uninsured
- Cost is major factor for both:
  - *Small groups = High rates*
  - *Young adults: Cost vs. risks, benefits*



## Statewide Community Health Record

- Health Information Information and Exchange:
  - Facilitate sharing, exchange of health records
  - Promote safety and improve quality
  - Improve efficiency and promote cost savings
- Two ongoing pilot projects
  - Wichita: HealthWave managed care providers
  - KC Area: State employees participating in employer sponsored initiative
- Expand statewide for Medicaid and SEHP
- Budget Impact FY 2010: \$1,096,000 (AF); \$383,600 (SGF)



## Promoting Prevention: Cancer screening; School health; Workplace wellness

- Expand early detection cancer screenings
  - Breast and cervical (EDW Program)
  - Colorectal
  - Prostate
- Continue, Expand Kansas Coordinated School Health
  - First 5 years: 80,736 students; 234 schools; 39 counties
  - Expand: add 40 more districts
- Launch Workplace Wellness for Small Businesses
  - Start-up grants; technical assistance



## Improve Tobacco Cessation in Medicaid

- Estimated 66,500 Kansas smokers in KS Medicaid
- KS Medicaid: \$196 million/year for smoking-related illnesses
- Mirror State Employee Health Plan
  - *Cover individual and/or group counseling*
- Budget Impact FY 2010: \$450,000 (AF); \$200,000 (SGF)
- Savings: Reduce current cost of smoking-related illnesses





## Improving outcomes and promoting cost effectiveness

### ***Acknowledge budget issues by investing in long term***

- **Health reform goals:**

- Improve health of all Kansans and control future costs
- Promote prevention, personal responsibility
- Expand access to both private and public health insurance

- **Medicaid transformation goals:**

- Improve health of Medicaid beneficiaries, improve quality of program, and control costs
- Use data to inform program reviews, recommendations, program investments, and cost cutting



<http://www.khpa.ks.gov>